

**REMARKS**

Favorable reconsideration of this application, in light of the preceding amendments and following remarks, is respectfully requested.

Claims 1-3, and 5-10 are currently pending in this application, of which claims 1 and 10 are independent claims and the rest dependent. Claims 1-3, 5-6 and 8-9 are currently amended and claim 4 is cancelled. Claim 10 is newly added.

**REJECTIONS UNDER 35 U.S.C. §101**

Claims 1-3 and 5-9 stand rejected under 35 U.S.C. §101 as allegedly being directed to non-statutory subject matter. This rejection is respectfully traversed.

As shown in the preceding section, amended claim 1 recites “a removable security module” and “a host apparatus,” subject matter considered statutory.

The Examiner alleges that “a removable security module” may be construed as security software that can be deleted. Applicants respectfully disagree. In the claimed invention, the “removable security module” stores, among other things, a cryptogram, a key common to a plurality of security modules and also includes free locations that store “the unique pairing key.” Also, the “removable security module” is connected to the host apparatus. Applicants are unsure as to how software can store a cryptogram, a key common to a plurality of security modules and include free locations for storing “the unique pairing key.”

For at least these reasons and as will be obvious to one of ordinary skill in the art, the “removable security module” as recited in claim 1 includes, for example, security modules such as smart cards, and is therefore statutory subject matter, and it is improper for the Examiner to construe “removable security module” as security software that can be deleted.

Also, the claimed invention recites “a host apparatus,” which the Examiner alleges as software and therefore non-statutory. Applicants respectfully disagree. As

per the plain, ordinary dictionary meaning, an apparatus means a set of materials, instruments, appliances or machinery designed for a particular use. It is therefore, improper for the Examiner to construe "host apparatus" as recited in claim 1 as mere software.

As such claim 1, and all claims dependent thereon, are directed to statutory subject matter and for at least all these reasons reconsideration and allowance of claim 1, and all claims dependent thereon, is respectfully requested.

**REJECTIONS UNDER 35 U.S.C. §112**

Claims 1-3 and 5-9 stand rejected under 35 USC § 112, second paragraph, as being indefinite. This rejection is respectfully traversed.

As shown in the preceding section, claim 1 is amended to provide sufficient antecedent basis. In view of the amendments to claim 1, reconsideration and allowance of claim 1, and all claims dependent thereon, is respectfully requested.

**REJECTIONS UNDER 35 U.S.C. § 102**

Claim 1 is rejected under 35 U.S.C. § 103(a), as being unpatentable over US 6,367,010 ("Venkatram"). Applicants respectfully traverse this rejection for the reasons detailed below.

Venkatram describes a method for encrypting/decrypting sensitive and private information that is transmitted over the Internet or other types of networks. Data exchanged over the network between a sender and a receiver is encrypted/decrypted by using a unique key and a user-PIN code. The unique key residing on the receiver device consists of two parts, a unique identifier called "key-PIN" and a unique called "key-Salt". Both the key-PIN and key-Salt are generated using a secure algorithm during the user's first subscription process. The key-PIN in combination with the user-PIN code provides a password that is used to generate

the unique encryption key. The user-PIN is the portion that the user must input into the system while the key-PIN is the portion that is stored on the user's computer device.

However, the method of encryption/decryption of data in Venkatram is performed via the internet and is not "local." Also, the key of Venkatram is not generated based on an identifier of any of the apparatuses disclosed in Venkatram. Venkatram discloses that the key used for data decryption/encryption is unique and based on user specific data, but not on the identifier of the host apparatus.

For at least these reasons, Applicants submit that Venkatram fails to anticipate "verifying the pairing between the removable security module and the host apparatus and using the unique pairing key when the pairing between the removable security module and the host apparatus has been already carried out," as recited in independent claim 1.

Applicants, therefore, respectfully request that the rejection of claim 1 under 35 U.S.C. § 102 be withdrawn.

#### **REJECTIONS UNDER 35 U.S.C. § 103**

- **VENKATRAM IN VIEW OF PERLMAN**

Claims 2-3 and 5-7 are rejected under 35 U.S.C. § 103(a), as being unpatentable over Venkatram in view of U.S. 6,975,729 ("Perlman"). Applicants respectfully traverse this rejection for the reasons detailed below.

Applicants respectfully submit that dependent claims 2-3 and 5-7 are patentable over Venkatram, as discussed above, as Venkatram fails to disclose or fairly suggest all of the features as recited in claim 1, the independent claim from which the rejected claims depend. Further, Perlman would fail to overcome the noted deficiencies of Venkatram (if combinable, which is not admitted). Therefore,

the alleged combination of Venkatram and Perlman fails to render the subject matter of claims 2-3 and 5-7 obvious to one of ordinary skill in the art.

- VENKATRAM, PERLMAN, AND TELLO

Claims 8 and 9 are rejected under 35 U.S.C. § 103(a), as being unpatentable over Venkatram in view of Perlman and further in view of U.S. 6,463,537 ("Tello"). Applicants respectfully traverse this rejection for the reasons detailed below.

Applicants respectfully submit that dependent claims 8-9 are patentable over Venkatram, as discussed above, as Venkatram fails to disclose or fairly suggest all of the features as recited in claim 1, the independent claim from which the rejected claims depend. Further, Perlman and Tello would fail to overcome the noted deficiencies of Venkatram (if combinable, which is not admitted). Therefore, the alleged combination of Venkatram, Perlman and Tello fails to render the subject matter of claims 8-9 obvious to one of ordinary skill in the art.

#### **NEW CLAIM**

Claim 10 is newly added. With regard to independent claim 10, although claim 10 should be interpreted based solely upon the limitations present therein, it is allowable for at least reasons somewhat similar to those set forth with regard to independent claim 1.

#### **CONCLUSION**

In view of the above remarks and amendments, the Applicants respectfully submit that each of the pending rejections has been addressed and overcome, placing the present application in condition for allowance. A notice to that effect is respectfully requested.

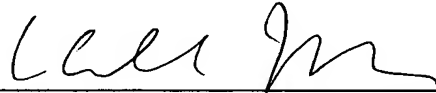
Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact Donald J. Daley at the telephone number of the undersigned below.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 08-0750 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17; particularly, extension of time fees.

Respectfully submitted,

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By



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